

Independent 2013 Service Audit Report to the City of Chicago



To: *City of Chicago*

As the City of Chicago's (City's) energy manager, Ameresco, Inc. was retained to provide assistance and oversight of the City's municipal aggregation program and energy purchasing for City facilities. As part of its oversight function, Ameresco has conducted an evaluation and audit of the contract performance of Integrys Energy Services Inc. (Integrys) acting in its role as the electricity supplier to the City's municipal aggregation program. The audit considered the following criteria: compliance with the requirements as set forth in the City's Request for Qualifications, Plan of Operations and Governance, and Power Supply Agreement, as well as the accuracy of account enrollment and monthly billing processes.

The objectives of the review were to discreetly identify the many performance standards applied to the municipal aggregation program; define the methods by which those standards should be measured; and to evaluate Integrys' performance against those standards. Our audit work was undertaken to provide an accurate and unbiased report as an independent and disinterested party. Our responsibility is to answer, to the best of our capabilities, whether and to what extent Integrys has fulfilled its obligations to the City.

To test the accuracy and effectiveness of the services provided by Integrys, our process included a review of: account lists, customer eligibility, completeness of billing files, processes and programs, wholesale purchasing arrangements, opt-out notices and procedures, meetings with key personnel, and on-site visits to Integrys' Chicago Call Center.

Integrys and the City complied with all data requests in a timely and complete manner. Questions concerning data submittals received timely and complete responses, and data updates were provided throughout the audit period. Certain aspects of the systems that support the issuance of monthly utility bills for aggregation program customers are provided by the local utility, Commonwealth Edison. During the course of the audit process, data requests made of Commonwealth Edison did not receive responses.

Given the millions of enrollment and billing actions involved in the management of the City's aggregation program, our audit, along with Integrys' controls, may not prevent, or detect and correct all errors or omissions in billing validation, enrollment and other deliverables mentioned in this report.

However, in all material aspects, Integrys Energy Services, Inc. has fully complied with all tested requirements for the City's municipal aggregation programs throughout the period of December 13, 2012 to December 31, 2013.

- 1) Fully complied with The City's Plan of Operation and Governance;
- 2) Adequately fulfilled their obligations under the Electricity Supply Agreement;
- 3) Fulfilled the City's Energy Supply Mix requirements;
- 4) Provided all of the Member Service requirements;
- 5) Thoroughly performed all Enrollment tasks as required;;
- 6) Properly billed accounts at the correct price as contracted; and,
- 7) Exceeded MBE/WBE requirements in accordance with contract commitments.

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March 6, 2014



COC Municipal Aggregation Scorecard

End of Year Review

	Rating	Data reviewed	Auditor comments
Customers are being enrolled/unenrolled			
Initial Enrollment/First Refresh/Second Refresh completed accurately	Exceeded Expectations	ComEd and Integrys account lists, Integrys database	The initial enrollment and two subsequent refreshes were over 99.5% accurate.
Initial Enrollment/First Refresh/Second Refresh completed promptly	Exceeded Expectations	Integrys final enrollment list; Integrys customer database, ComEd PowerPath	The initial enrollment was completed two weeks ahead of schedule. A comparison of enrolled accounts to ComEd PowerPath showed that 100% of the accounts enrolled by Integrys did occur in the timeframe required. Accounts that did not show as enrolled based on ComEd PowerPath were caused by the customer rescinding the enrollment during the enrollment period.
Enrollments outside of refreshes completed accurately and promptly	Met Expectations	Enrollment lists via third party verifier/call recordings, Integrys customer database, ComEd PowerPath	Enrollment requests made via customer service were enrolled the month following the request based upon audited customer service calls.
Unenrollments completed accurately and promptly	Met Expectations	Unenrollment lists via third party verifier/call reports; Integrys customer database, ComEd PowerPath website	Only unenrollment requests that were not associated with the account closing were reviewed. Drop requests made via customer service were switched back to ComEd the month following the request based upon audited customer service calls.
Customers are enrolled without regard to race, ethnicity, income, credit status, address, or religion	Met Expectations	Integrys Quarterly Reports, Enrollment lists from the third party verification	No bias on enrollments or drops were found.
Maintains confidential customer database	Met Expectations	Integrys systems and processes	The Customer database is an internal database requiring passwords and permissions. An internal audit found that it complies with SOX standards.
Customers are billed correctly and saving			
Billed rate and usage is correct	Met Expectations	Integrys billing files, ComEd filed rates, ComEd PowerPath	Using Integrys billing files, billed usage was compared to ComEd PowerPath usage to ensure that usage is billed correctly. Review of billing files, monthly billing reports from Integrys and the systems that "pull" the billing rate into the billings files and create the EDI files show that the proper rate is charged to all citizens.
Billed rate is less than the Price To Compare	Met Expectations	Integrys bill rate in their database, ComEd filed rates	The Integrys rate of \$.05424 is less than the Price to Compare.
Billed rate is lower than Members applicable ComEd rate	Met Expectations	Integrys bill rate in their database, ComEd filed rates	The Integrys rate of \$.05424 is less than the member applicable rate.
The billed rate is the same for all customers; no switching fees	Met Expectations	Integrys billing files, ComEd filed rates, ComEd PowerPath	Review of billing files, monthly billing reports from Integrys and the systems that "pull" the billing rate into the billings files and create the EDI files show that the proper rate is charged to all citizens and no additional fees have been charged.

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PIPP/LIHEAP customers keep discount	Met Expectations	ComEd billing information, ComEd rules	ComEd applies the PIPP and LIHEAP discounts and according to ComEd procedures. As long as a supplier bills through ComEd, a customer's current status on those programs will continue.
All customer concerns are handled properly &			
Call Center established in Chicago	Exceeded expectations	In-person visits to Call Center	There are two customer call centers set up for the aggregation: one is in Chicago and employs 5 customer service representatives to handle escalated calls.
Call Centers handle requests in a timely manner	Exceeded expectations	Recorded calls; in-person visits to the Chicago call center, data from third party vendor	Through the third quarter, 97% of the customer service calls were answered within 20 seconds which exceeds the requirement of answering 90% of the calls within 30 seconds.
Call Centers handle requests accurately	Met Expectations	Recorded calls and training manuals	A review of calls and training manuals found that the call center staff was trained and answered questions appropriately.
Responses after normal business hours responded to in 24 hours	Exceeded Expectations	Recorded calls, data from third party vendor	The call centers are staffed 24/7 so that 97% of all calls were answered within 20 seconds which far exceeds the requirement of returning after hour calls on the next business day.
Multi-lingual services available	Exceeded Expectations	Recorded calls, Integrys website, interview with Call Center manager	The call center is staffed to have 2-3 Spanish and 1 German speaking staff member during core business hours. A foreign language interpretation service is available 24/7 to handle any language.
Hearing impaired services available	Met Expectations	Integrys website, interview with Call Center manager	The call center is 711 compliant and is stated on the aggregation website.
Customer service and program information available online	Exceeded Expectations	Integrys Chicago Aggregation website	The website explains the program and provides the ability to "chat" with customer service in addition to having email correspondence.
Online communication timely and accurate.	Below Expectations	Email logs provided by Integrys	Over 90% of the emails received during the business week were returned within 24 hours. The emails received over the weekend hours were returned on Monday resulting in an overall rate of 74%. This was an oversight by Integrys and all emails are now being returned within 24 hours. Responses to customers were appropriate.
Members have online access to historical account information, opportunities and advantages for EE & DG, and analytical tools to aid in establishing more efficient use of electricity	Met Expectations	Integrys product testing website	Online account access is available with ability for customers to download data and charts. Tips for energy efficiency were provided. The website is easy to use and well organized.
Supply Portfolio Consists of 95% Renewable			

COC Municipal Aggregation Scorecard

End of Year Review

	Rating	Data reviewed	Auditor comments
Supply portfolio consists of 95% renewable power with the remaining 5% comprised of non coal generation	Exceeded expectations	Exhibit 7 of the Power Supply Agreement; Integrys' quarterly reports; IL RPS standards	As required in the RFQ, the supply portfolio exceeds IL RPS overall standard requiring 7% of a supplier's 2013 retail sales come from renewables and 8% of a supplier's retail electric sales come from renewables. The supply portfolio complies with the standards set in the Power Supply Agreement.
Supplier is qualified and providing power in accordance with the contract			
Compliance with ICC	Met Expectations	ICC website	Integrys has all required certifications.
Compliance with Plan of Operation and Governance (incl. Exhibit 5)	Met Expectations	Plan of Operation and Governance	All requirements outlined in the Plan of Operation & Governance are included in the Power Supply Agreement.
Compliance with Aggregation Ordinance	Exceeded expectations	Power Supply Agreement; Integrys' quarterly reports	Quarterly reports detail usage, cost and savings by zip code - exceeding expectations.
Compliance with ComEd Rules, Regulations and Rates	Met Expectations	ComEd standards	Integrys is complying with ComEd rules and regulations.
Compliance with IL Power Agency Act	Met Expectations	IL Power Agency Act; Power Supply Agreement	All requirements in the IL Power Agency Act are included in the Power Supply Agreement.
Meets technical power specifications	Met Expectations	ComEd and PJM standards	All standards set by ComEd & PJM have been met.
Supplier is meeting their commitments to the			
Provides required and requested reports	Met Expectations	Detailed Schedule and Task Report	The report provides a calendar of all tasks to take place and was updated several times.
	Met Expectations	Supply Portfolio Quarterly Report	The report has been provided each quarter.
	Exceeded expectations	Cost And Savings To Tariff Report	Quarterly reports were required to provide detail usage, cost and savings for the program. The reports also include a breakdown by zip code which is beneficial.
Subcontract with certified M/WBE to participate in the agreement	Met Expectations	Power Supply Agreement; Integrys' quarterly reports	All quarterly reports verify continued MBE/WBE compliance of as of August 15, 2013.
Reimbursed the City of Chicago for program expenses		Report from the City of Chicago	The City of Chicago is setting up the ability to receive payment from Integrys.
Cooperation at the Conclusion of the Agreement		Report from the City of Chicago	The City of Chicago staff will provide feedback closer to the conclusion of the agreement.

Rating levels
Exceeded Expectations
Met Expectations
Below Expectations
Did Not Meet Expectations